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Comparison of Benefits Illustrating the Effect of the Daniels-McGee Bill

The attached chart illustrates the effect of the Daniels-McGee Bill on actual cases computed for retirement. The computations involve two of the three major benefits of the Daniels-McGee Bill (adding accrued sick leave to service time and computing average salary on high three years of service). The third major benefit (one percent additional increase in annuity every time a cost-of-living adjustment is triggered) would further erode the CIA Retirement Act annuity by approximately 1 percent each year, more than 10 percent in ten years because of the cumulative effect. Moreover, the attached comparison understates the effect of computing annuities based upon high three rather than high five years of service for the immediate future because of the relatively large general salary increase which took effect 1 July 1969 under P.L. 90-206.

Percentage Analysis of the Attached Cases

<u>Case No.</u>	<u>Basic Annuity Increase Under Daniels-McGee Bill Provisions</u>
1	8.94 percent
2	5.91 percent
3	7.8 percent
4	8.04 percent

Percentage Comparison Between CIARD and Civil Service

<u>Case No.</u>	<u>Pre-Daniels-McGee Advantage</u>	<u>Post-Daniels-McGee Disadvantage</u>	<u>Relative Change</u>
3 with 4	7.29 percent	.7 percent	8.19 percent
5 with 6	5.76 percent	1.69 percent	7.45 percent
7 with 8	6.67 percent	1.74 percent	7.41 percent

Comparison of Benefits
Illustrating Effect of the Daniels-McGee Bill

	(1) CIARDS	(2) CIARDS	(3) CIARDS	(4) CSC Involuntary
<u>1/ Age</u>	56	54	58	58
Grade	GS-13	GS-12	GS-17	GS-17
Service: years/mos	23/5	29/7	27/7	27/7
High-5	\$15,648	\$13,641	\$25,900	\$25,900
Basic Annuity	\$ 7,328	\$ 8,071	\$14,288	\$13,317
Reduced Annuity	\$ 6,865	\$ 7,534	\$13,129	\$12,255
Survivor Benefit	\$ 4,031	\$ 4,439	\$ 7,853	\$ 7,320
<u>2/ Service (w/sick leave)</u>	24/4	29/11	28/6	28/6
High-3	\$16,403	\$14,287	\$27,020	\$27,020
Basic Annuity	\$ 7,983	\$ 8,548	\$15,402	\$14,388
Reduced Annuity	\$ 7,455	\$ 7,963	\$14,132	\$13,219
Survivor Benefit	\$ 4,391	\$ 4,701	\$ 8,471	\$ 7,908

1/ Computations without Daniels-McGee Bill2/ Computations with Daniels-McGee Bill

Comparison of Benefits of Individual Eligible
To Retire Under Either Civil Service or CIARDS

	(5) Civil Service	(6) CIARDS	(7) Civil Service	(8) CIARDS	55-30
<u>1/ Age</u>	59	59	55	55	Case Comparison
Grade	GS-15	GS-15	GS-14	GS-14	
Service: years/mos	34/5	34/5	30/0	30/0	
High-5	\$21,725	\$21,725	\$15,989	\$15,989	
Basic Annuity	\$14,139	\$14,954	\$ 8,994	\$ 9,593	
Reduced Annuity	\$12,995	\$13,729	\$ 8,365	\$ 8,904	
Survivor Benefit	\$ 7,776	\$ 8,225	\$ 4,947	\$ 5,280	
<u>2/ Service (w/sick leave)</u>	35/2	35/2	30/6	30/6	
High-3	\$22,838	\$22,838	\$17,048	\$17,048	
Basic Annuity	\$15,206	\$15,987	\$ 9,760	\$10,399	
Reduced Annuity	\$13,955	\$14,658	\$ 9,054	\$ 9,629	
Survivor Benefit	\$ 8,363	\$ 8,793	\$ 5,368	\$ 5,724	

1/ Computations without Daniels-McGee Bill2/ Computations with Daniels-McGee Bill

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